



Programs and Opportunities

USDA's TAA Program Provides Assistance to U.S. Producers

By Donald Washington

Calls, faxes and e-mails were moving fast and furious as the deadline for applications came to a close. Jan. 31, 2005, marked the end of another productive year for USDA's TAA (Trade Adjustment Assistance) for farmers program, designed to provide relief to U.S. producers who have suffered a significant price decline in the past year due to foreign imports.

The TAA program, administered by FAS, provides technical assistance and cash benefits to producers if increasing imports of a like or directly competitive commodity contributed importantly to a decline in producer prices.

TAA provides producers of raw, unprocessed agricultural commodities and aquaculture products, who have been adversely affected by import competition, free technical assistance and cash benefits of up to \$10,000 per year. The program covers farmers, ranchers, fish farmers and fishermen competing with imported aquaculture products. It does not cover the forest products industry.

The Trade Act of 1974, as amended by the Trade Act of 2002, established the TAA program for fiscal 2003 through 2007.

In fiscal 2004, the second year of the program, U.S. producers of a wide range of commodities, including salmon, shrimp, lychee fruit and catfish, filed petitions with FAS for assistance under the program.

Who is covered by TAA?

TAA covers farmers, ranchers, fish farmers and fishermen competing with imported products. It does not cover the forest products industry.

After a thorough investigation, 12 petitions covering 22 states met the strict certification requirements and received assistance.

How do I become eligible?

A group of producers must first petition FAS for TAA on behalf of producers in their sector.

The Impact of TAA

According to USDA trade adjustment coordinator Jean-Louis Pajot, the program has benefited several industries across the nation.

"In year 1 of the program, wild Maine blueberries became the first agricultural commodity to qualify for Trade Adjustment Assistance," Pajot said. Since that time, technical training and cash benefits have benefited salmon fishermen in Washington and Alaska; shrimp producers in South Carolina and Louisiana; and lychee farmers in Florida.

What are like or competitive products?

The TAA regulation defines a like or directly competitive products falling generally under the same number in the HTS (Harmonized Tariff Schedule of the United States).

I'm covered by a certified petition; what must I do to apply for benefits?

Producers have 90 days from the date that the petition was certified to apply to USDA's Farm Service Agency for benefits.

More than three thousand miles west, David Harsila of Washington state has also taken advantage of the program. Harsila is a commercial fisherman, operating primarily within the waters of Puget Sound, WA, and Bristol Bay, AK.

With a catch encompassing various species of salmon, he enjoyed a thriving business for several years. But early this decade, his numbers dropped perilously as an influx of lower priced farm-raised salmon imports forced an alarming downward price spiral.

Torie Baker of Cordova, AK, experienced many of the same conditions. Owner and operator of a small fishing venture, Baker also enjoyed a profitable run, harvesting wild salmon and herring until the bottom fell out in late 2001 and early 2002.

Throughout the region, the impact rippled through tens of thousands of commercial enterprises. "Alaska was the primary supplier of salmon to world markets until the mid-1980s," Baker noted. "And in the past 10 years, the explosion of foreign farm-raised salmon has cut U.S. producers' share to only 30 percent of world supply."

Salmon imports from Canada, Norway and Chile contributed to a domestic price decline from a high of \$5.35 per pound in 1978 to a low of \$1.15 per pound in 2001.

In 2002, Harsila's wife Janis submitted a petition on behalf of the Puget Sound Salmon Commission to FAS for assistance under TAA to begin the process to receive technical assistance and training and financial relief for impacted fisheries. In the 49th state, Alaskan Fisheries filed the same paperwork.

After an investigation, FAS determined that imports did contribute importantly to a decline in domestic prices for salmon producers in those states, when compared to the previous five-year average. These salmon producers were eligible to apply for TAA benefits.

How the Process Works

A group of producers must first file a petition with FAS to establish eligibility for assistance. Petitions can be filed by a group of three or more producers or an authorized representative that represents a group of producers. After a thorough investigation that by law should be completed within 40 days, FAS will make a determination on the eligibility of the petitioners.

Filing Information and e-Sources

The Federal Register notice may be accessed on the FAS Web site at:
<http://www.fas.usda.gov/info/fr/notices/html>

The TAA petition form is located on the Web at:
<http://www.fas.usda.gov/itp/taa/resource.htm>

FAS must receive the petition by 5 p.m., Eastern time, Jan. 31, 2006. Petitioners can submit petitions via any one of the following (fax or e-mail is preferred):

Fax: (202) 720-0876

E-mail: trade.adjustment@fas.usda.gov

Mail: U.S. Department of Agriculture,
Foreign Agricultural Service, Trade
Adjustment Assistance Office, 1400
Independence Avenue, S.W., STOP 1021,
Washington, DC 20250-1021

For further information or questions about completing a petition, contact the TAA coordinator: (202) 720-2916

General information about the TAA program, and links to the Harmonized Tariff Schedule and a U.S. trade database can be found on the FAS Web site:

<http://www.fas.usda.gov/itp/taa/taaindex.htm>

FAS will certify eligibility for adjustment assistance if the petition satisfies the following conditions: (1) the national average price for the agricultural commodity for the marketing year under review is less than 80 percent of the average of the national average prices for the 5 marketing years preceding the most recent marketing year; and (2) increases in imports of articles like or directly competitive with the agricultural commodity contributed importantly to the decline in price.

When a petition is certified, producers have 90 days from the date that the petition was certified to apply to their nearest Farm Service Agency county administrative office for benefits. When applying, producers must provide documentation that they produced the commodity during the most recent marketing year.

What are the payment criteria?

Each producer must demonstrate that their net income from farming, ranching, aquaculture or fishing has declined and they have received free technical assistance from USDA's CSREES (Cooperative State Research, Education and Extension Service).

CSREES provides producers who apply for TAA free technical assistance within 180 days of the petition certification date. CSREES also contacts applicants with the training schedules.

Is TAA a one-time benefit program?

TAA may be available in subsequent years if imports keep increasing and producer prices remain below the 80-percent threshold.

Technical training is designed to help producers explore additional commodities, marketing opportunities and alternative enterprises.

Are there other federal programs available for groups affected by import competition?

The U.S. Department of Commerce has TAA for firms, and the U.S. Department of Labor has TAA for workers.

Eligible producers receive technical training and may receive cash benefits up to \$10,000, depending on the amount of production marketed and if they meet certain income criteria.

Even if eligible for benefits under multiple petitions, a producer may receive no more than \$10,000 per year in TAA cash payments. Producers may receive no more than \$65,000 in combined counter-cyclical and TAA payments.

Next Sign Up Period

The next petition period starts Aug. 16, 2005, and ends Jan. 31, 2006. After a petition is filed, FAS will spearhead an investigation to determine if the commodity meets the criteria for the program. When a petition is certified, producers have 90 days to contact the nearest USDA Farm Service Agency office to apply for assistance.

Petitioners should file petition form FAS 930 in accordance with 7 CFR 1580.201. A Federal Register Notice announcing the petition period will be published in July 2005.

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